

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
WHITLEY COUNTY WATER DISTRICT) CASE NO. 94-309

O R D E R

On August 18, 1994, Whitley County Water District ("Whitley County") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. Whitley also requests a deviation from the normal filing procedures, but does not cite a specific regulation.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Whitley County purchases water from four suppliers, Williamsburg Municipal Water System ("Williamsburg"), Cumberland Falls Water District ("Cumberland Falls"), the City of Jellico ("Jellico"), and the City of Corbin ("Corbin").

2. Effective July 1994, Williamsburg increased its rate for wholesale water from \$1.50 per 1,000 gallons to \$2.40 per 1,000 gallons, an increase of \$.90 cents. The other three suppliers did not increase their rates at that time.

3. Whitley County proposes to increase the rates to its customers effective September 20, 1994.

4. During the 12 months ending June 30, 1994, Whitley County purchased 28,651,000 gallons from Williamsburg, 8,059,000 gallons

from Cumberland Falls, 7,163,700 gallons from Jellico, and 34,903,000 gallons from Corbin for a total of 78,776,700 gallons of water and sold 77,667,000 gallons.

5. Whitley County's calculations are incorrect in that it shows an increase in purchased water cost of \$54,993.22, resulting in a purchased water adjustment of \$.71 cents per 1,000 gallons. The correct calculation for the purchased water adjustment produced an increase of \$.33 cents per 1,000 gallons, an increase of \$25,785.90 in purchased water cost as shown in Appendix A. Based on an average monthly usage of 5,000 gallons, the average bill of Whitley County's customers would increase \$1.65 cents from \$26.00 to \$27.65 or 6 percent.

6. The purchased water adjustment of \$.33 cents per 1,000 gallons and the rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

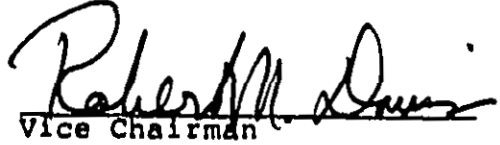
IT IS THEREFORE ORDERED that:

1. Whitley County's proposed tariff is hereby denied.
2. The purchased water adjustment of \$.33 cents per 1,000 gallons and the rates in Appendix B, are hereby approved for services rendered on and after September 20, 1994.
3. Whitley's request for a deviation is denied.
4. Within 30 days of the date of this Order, Whitley County shall file verification that the notice to its customers has been given.
5. Within 30 days Whitley County shall file revised tariff sheets to reflect the rates contained in Appendix B.

Done at Frankfort, Kentucky, this 14th day of September, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-309 DATED SEPTEMBER 14, 1994

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased:	78,776,700 gallons
Water Sold:	77,667,000 gallons

Cost at Changed Rate:

(thousand gallons purchased from Williamsburg)	
28,651 x \$2.40	\$68,762

LESS

Cost at Base Rate:

28,651 x \$1.50	\$42,977
-----------------	----------

Increase in Cost:	\$25,786
-------------------	----------

\$25,786 + 77,667 thousand gallons sold	\$.33 cents or
	\$0.33/1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-309 DATED SEPTEMBER 14, 1994

The following rates and charges are prescribed for the customers in the area served by Whitley County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Metered Customers

First 1,000 gallons	\$10.33	Minimum Bill
Next 1,000 gallons	4.33	per 1,000 gallons
Next 95,000 gallons	3.83	per 1,000 gallons
Over 100,000 gallons	3.33	per 1,000 gallons

Non-Meter Customers

\$27.65 per month flat rate